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Financial Report

Roman Catholic Church of the Archdiocese of New Orleans Administrative Offices

June 30, 2009

Bourgeois Bennett

Certified Public Accountants | Consultants
A Limited Liability Company

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Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

June 30, 2009 and 2008

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FINANCIAL SECTION

Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Most Reverend Gregory M. Aymond,
Archbishop of the Roman Catholic Church of
the Archdiocese of New Orleans,
New Orleans, Louisiana.

We have audited the accompanying statements of financial position of Roman Catholic Church of the Archdiocese of New Orleans Administrative Offices (the "Administrative Offices") as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of the Administrative Offices. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Administrative Offices as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2009, on our consideration of the Administrative Offices' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Administrative Offices taken as a whole. The supplemental schedules (Schedules 1 through 5) are presented for purposes of additional analysis and are not a required part of the financial statements of the Administrative Offices. The accompanying schedule of expenditures of federal award is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
November 16, 2009.

Exhibit A

STATEMENTS OF FINANCIAL POSITION

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

June 30, 2009 and 2008

ASSETS

	2009	2008
Cash and cash equivalents	$ 5,091,249	$ 12,862,370
Grants receivable:		
FEMA	2,916,429	3,583,153
Other	92,175	1,206,379
Accounts receivable from affiliates and other	3,602,911	2,312,640
Prepaid expenses	1,171,164	922,488
Pledges receivable	400,000	600,000
Loans receivable from affiliates - less allowance for doubtful receivables of $10,847,843 and $13,241,446 for 2009 and 2008, respectively	56,308,106	64,304,759
Investments	194,922,012	226,107,367
Land, buildings, and equipment - less accumulated depreciation of $28,705,247 and $29,695,268 for 2009 and 2008, respectively	43,952,385	42,062,128
Other assets	2,994,945	3,098,744
Beneficial interest in charitable remainder trust	419,099	424,164
Total assets	$ 311,870,475	$ 357,484,192

LIABILITIES AND NET ASSETS

	2009	2008
Liabilities		
Accounts payable	$ 3,217,531	$ 3,189,396
Promises to give to affiliates - Pastoral Plan	195,677	5,444,451
Undistributed flood insurance proceeds due to affiliates	176,036	526,928
Accrued expenses and other	5,643,953	3,874,901
Accrued liability for self-insured claims	8,352,682	5,723,268
Deposits payable to affiliates	107,626,094	119,497,564
Funds held for affiliates	42,713,564	58,214,249
Bonds payable	68,130,330	69,293,813
Accrued pension liability	23,989,921	21,473,022
Total liabilities	260,045,788	287,237,592
Commitments and Contingencies (Note 18)	-	-
Net Assets		
Unrestricted	27,515,680	42,682,599
Temporarily restricted	10,288,575	13,545,124
Permanently restricted	14,020,432	14,018,877
Total net assets	51,824,687	70,246,600
Total liabilities and net assets	$ 311,870,475	$ 357,484,192

See notes to financial statements.

Exhibit B-1

STATEMENT OF ACTIVITIES

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2009
(with comparative totals for 2008)

	2009				2008
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Comparative Totals
Revenues, Gains, and Other Support					
Assessments to affiliated entities for:					
Archdiocesan support	$ 8,923,278			$ 8,923,278	$ 8,602,058
Priest health insurance and retirement	1,841,924			1,841,924	1,797,735
Insurance	11,817,798			11,817,798	10,222,823
Total assessments	22,583,000			22,583,000	20,622,616
Bad debt recovery	2,607,632			2,607,632	2,298,410
Contributions and grants	764,425	$ 600,499	$ 1,555	1,366,479	1,843,869
Rents and royalties	974,533			974,533	1,486,513
Investment return - designated for current operations	2,781,222	743,564		3,524,786	3,477,605
Interest income - Deposit and Loan Fund	2,738,462			2,738,462	3,440,765
Fees collected and other revenue	2,562,086			2,562,086	2,289,387
Gain on sale of assets	1,529,570			1,529,570	618,990
Changes in value of split-interest agreement		(5,065)		(5,065)	107
Net assets released from restrictions - satisfaction of program restrictions	1,636,741	(1,636,741)		-	-
Total revenue, gains, and other support	38,177,671	(297,743)	1,555	37,881,483	36,078,262
Expenses					
Program services:					
Christian formation	3,410,079			3,410,079	2,362,201
Clergy	6,407,768			6,407,768	6,654,197
Community services	155,732			155,732	127,287
Gifts and grants	205,240			205,240	168,571
Insurance	13,030,341			13,030,341	9,854,196
Pastoral services	926,387			926,387	800,129
Religious	93,931			93,931	93,034
Total program services expenses	24,229,478	-	-	24,229,478	20,059,615

Exhibit B-1
(Continued)

	2009				2008
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Comparative Totals
Supporting services:					
Administration	2,183,466			2,183,466	1,969,919
Financial services	6,047,131			6,047,131	6,172,697
Interest	3,148,041			3,148,041	3,214,496
Interest expense - Deposit and Loan Fund	2,584,506			2,584,506	4,151,812
Total supporting services expenses	13,963,144	-	-	13,963,144	15,508,924
Total expenses	38,192,622	-	-	38,192,622	35,568,539
Income (Loss) From Operations	(14,951)	(297,743)	1,555	(311,139)	509,723
Non-Operating Revenues (Expenses)					
Investment loss increased by the portion of cumulative net investment income designated for current operations	(18,793,737)	(5,024,536)		(23,818,273)	(6,054,714)
Grants and donations related to hurricanes	16,389,562	4,209,895		20,599,457	37,143,622
Bad debt recovery - Pastoral Plan				-	6,082,981
Net assets released from restrictions - Hurricane Katrina	2,144,165	(2,144,165)		-	-
Insurance proceeds	3,787,367			3,787,367	-
Distributions of donations to affiliates	(17,647,099)			(17,647,099)	(28,114,757)
Hurricane Katrina related expenses				-	(1,873,242)
Total non-operating revenues - net	(14,119,742)	(2,958,806)	-	(17,078,548)	7,183,890
Excess (Deficiency) of Revenue, Gains, and Other Support Over Expenses	(14,134,693)	(3,256,549)	1,555	(17,389,687)	7,693,613
Additional Minimum Pension Liability Adjustment	(1,032,226)			(1,032,226)	4,155,737
Increase (Decrease) in Net Assets	(15,166,919)	(3,256,549)	1,555	(18,421,913)	11,849,350
Net Assets					
Beginning of year	42,682,599	13,545,124	14,018,877	70,246,600	58,397,250
End of year	$ 27,515,680	$ 10,288,575	$ 14,020,432	$ 51,824,687	$ 70,246,600

See notes to financial statements.

Exhibit B-2

STATEMENT OF ACTIVITIES

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Revenue, Gains, and Other Support				
Assessments to affiliated entities for:				
Archdiocesan support	$ 8,602,058			$ 8,602,058
Priest health insurance and retirement	1,797,735			1,797,735
Insurance	10,222,823			10,222,823
Total assessments	20,622,616			20,622,616
Bad debt recovery	2,298,410			2,298,410
Contributions and grants	1,328,862	$ 511,982	$ 3,025	1,843,869
Rents and royalties	1,486,513			1,486,513
Investment return - designated for current operations	963,912	2,513,693		3,477,605
Interest income - Deposit and Loan Fund	3,440,765			3,440,765
Fees collected and other revenue	2,289,387			2,289,387
Gain on sale of assets	618,990			618,990
Changes in value of split-interest agreement		107		107
Net assets released from restrictions -				-
satisfaction of program restrictions	586,581	(586,581)		-
Total revenue, gains, and other support	33,636,036	2,439,201	3,025	36,078,262
Expenses				
Program services:				
Christian formation	2,362,201			2,362,201
Clergy	6,654,197			6,654,197
Community services	127,287			127,287
Gifts and grants	168,571			168,571
Insurance	9,854,196			9,854,196
Pastoral services	800,129			800,129
Religious	93,034			93,034
Total program services expenses	20,059,615	-	-	20,059,615

Exhibit B-2
(Continued)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Supporting services:				
Administration	1,969,919			1,969,919
Financial services	6,172,697			6,172,697
Interest	3,214,496			3,214,496
Interest expense - Deposit and Loan Fund	4,151,812			4,151,812
Total supporting services expenses	15,508,924	-	-	15,508,924
Total expenses	35,568,539	-	-	35,568,539
(Loss) Income From Operations	(1,932,503)	2,439,201	3,025	509,723
Non-Operating Revenues (Expenses)				
Investment loss increased by the portion of cumulative net investment income designated for current operations	(1,678,230)	(4,376,484)		(6,054,714)
Grants and donations related to Hurricane Katrina	31,802,262	5,341,360		37,143,622
Bad debt recovery related to Pastoral Plan	6,082,981			6,082,981
Net assets released from restrictions - Hurricane Katrina	8,244,942	(8,244,942)		-
Distributions of donations to affiliates	(28,114,757)			(28,114,757)
Hurricane Katrina related expenses	(1,873,242)			(1,873,242)
Total non-operating revenues - net	14,463,956	(7,280,066)	-	7,183,890
Excess (Deficiency) of Revenue, Gains, and Other Support Over Expenses	12,531,453	(4,840,865)	3,025	7,693,613
Additional Minimum Pension Liability Adjustment	4,155,737			4,155,737
Increase (Decrease) in Net Assets	16,687,190	(4,840,865)	3,025	11,849,350
Net Assets				
Beginning of year	25,995,409	18,385,989	14,015,852	58,397,250
End of year	$ 42,682,599	$ 13,545,124	$ 14,018,877	$ 70,246,600

See notes to financial statements.

Exhibit C

STATEMENTS OF CASH FLOWS

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the years ended June 30, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Increase (decrease) in net assets	$ (18,421,913)	$ 11,849,350
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Federal grants restricted for building construction	(1,600,003)	(16,041,947)
Depreciation and amortization	1,028,261	722,172
Bond premium amortization	(68,483)	(53,527)
Asset retirement obligation accretion	32,184	48,704
Recovery for doubtful receivables - net	(2,393,603)	(7,881,891)
Net gain from sale of assets	(1,529,570)	(618,990)
Impairment of long-lived assets	-	1,873,242
Unrealized losses on investments	19,585,653	10,281,190
Increase (decrease) in accrued pension liability	2,516,899	(1,868,214)
Change in beneficial interest in charitable remainder trust	5,065	(107)
Contributions restricted for long-term investments	(1,555)	(3,025)
Changes in operating assets and liabilities:		
Increase in grants, accounts and other, and pledges receivable	(1,840,402)	(1,486,727)
Increase in prepaid expense and other assets	(248,677)	(7,056)
Increase (decrease) in accounts payable, promises to give, accrued expenses, and other	(854,357)	1,231,810
Net cash used in operating activities	(3,790,501)	(1,955,016)

Exhibit C
(Continued)

	2009	2008
Cash Flows From Investing Activities		
Collections on loans to affiliates	35,009,766	35,463,691
Loans made to affiliates	(24,619,510)	(33,074,205)
Decrease in investments - net	11,464,375	73,841
Proceeds from sale of land, buildings, and equipment	1,619,570	2,087,345
Purchases of land, buildings, and equipment	(2,904,718)	(16,785,864)
Increase (decrease) in investments restricted for debt service	135,327	(1,105,255)
Net cash provided by (used in) investing activities	20,704,810	(13,340,447)
Cash Flows From Financing Activities		
Collection of federal grant funds restricted for building construction	4,131,062	12,458,794
Increase (decrease) in deposits payable to affiliates - net	(11,871,470)	1,172,650
Bond principal payments	(1,095,000)	(1,100,000)
Increase (decrease) in funds held for affiliates	(15,500,685)	2,520,493
Decrease in undistributed flood insurance proceeds	(350,892)	(4,351,062)
Proceeds from permanently restricted contributions	1,555	3,025
Net cash provided by (used in) financing activities	(24,685,430)	10,703,900
Net Decrease In Cash and Cash Equivalents	(7,771,121)	(4,591,563)
Cash and Cash Equivalents		
Beginning of year	12,862,370	17,453,933
End of year	$ 5,091,249	$ 12,862,370
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 3,213,025	$ 2,479,146

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

June 30, 2009 and 2008

Note 1 - ORGANIZATION

The accompanying financial statements of the Roman Catholic Church of the Archdiocese of New Orleans Administrative Offices (the "Administrative Offices") include the assets, liabilities, net assets, and the financial activities of all administrative and program offices and departments maintained and directed by the administrative offices of the Roman Catholic Church of the Archdiocese of New Orleans, a Louisiana corporation (the "Archdiocese"), and also include certain assets which are owned by the Archdiocese and are used in the operations of certain affiliated entities. The purpose of the Administrative Offices is to provide support and services to the various church parishes and other related agencies within the Archdiocese. Operating support is derived primarily from assessments from affiliated entities, contributions, and bequests, interest on loans to church parishes, and investment earnings. The activities of the Administrative Offices also include:

- the operation of the Deposit and Loan Fund, which provides savings and loan services to the parishes;
- the administration of a centralized property and casualty insurance program;
- the investment of endowment funds; and
- the administration and funding of health care, auto insurance, and retirement costs for priests of the Archdiocese.

The activities of church parishes, schools, cemeteries, seminaries, nursing homes, and other distinct operating entities which operate within the Archdiocese ("non-combined affiliated entities") have not been included in the accompanying financial statements.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of the Administrative Offices have been prepared in accordance with accounting principles generally accepted in the United States of America.

b. Basis of Presentation

The Administrative Offices reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets - Those net assets whose use is not restricted by donors.

Temporarily Restricted Net Assets - Those net assets whose use by the Administrative Offices has been limited by donors (a) to later periods of time or after specified dates or (b) to specific purposes.

Permanently Restricted Net Assets - Those net assets that must be maintained in perpetuity due to donor-imposed restrictions that will neither expire with the passage of time nor be removed by meeting certain requirements. Income earned on these investments may be restricted for specific purposes.

c. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Of particular significance to the Administrative Offices' financial statements are estimates related to pension assumptions, the allowance for doubtful loans receivable, and the accrued liability for self-insured claims. Actual results could differ from those estimates.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents is defined to include highly liquid short-term investments, including money market account deposits, commercial paper investments, and certificates of deposit purchased with an original maturity of 90 days or less, unless held in the investment portfolios.

e. Accounts and Loans Receivable

The accounts and loans receivable consist of advances made to church parishes and diocesan-related organizations as a result of a cooperative lending program established by the Administrative Offices for the mutual benefit of participants. The determination of the terms of repayment and interest charges are made by the Administrative Offices on an individual case basis. Since most of the accounts and loans receivable consist of large amounts due from a limited number of related organizations, the determination of the collectibility of these receivables is made by management on an individual case basis, using prior collection histories and current economic factors as judgment criteria.

f. Allowance for Doubtful Receivables

The Administrative Offices establishes an allowance for uncollectible loans receivable based on management's evaluation of the collectibility of outstanding loans receivables.

g. Pledges Receivable

Unconditional promises to give are recognized as revenue or gains and as assets in the period in which the promise is made.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Investments

Investments in marketable securities are valued at their fair values in the Statements of Financial Position. Unrealized gains and losses on investments recorded at fair value are included in the Statements of Activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Investments are managed to achieve the maximum long-term total return. A spending rate approach is used to allocate a defined percentage of investment return for operating purposes each year, with the remainder of investment income reinvested and reported as non-operating income. A spending rate of approximately 5% of the market value of pooled investments as of the beginning of each fiscal year was used during each of the fiscal years ended June 30, 2009 and 2008.

Investments consist of the following:

- Board-designated investments, which are assets, set aside within various funds for specific purposes such as operations, school endowment, future development of parishes, and capital improvements over which the Board retains control and may at its own discretion subsequently use for other purposes.
- Unexpended bond funds held by the trustee, which are designated for capital projects as per the bond indenture agreement.
- Funds held for others, which are funds owned by affiliated entities that are held in a custodial capacity and invested in a centralized investment pool of assets.
- Investments restricted for debt service, which are those funds set aside to pay related debt service costs.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at cost or, when donated, at fair market value. Additions and major improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred.

Depreciation on buildings and improvements and equipment is calculated using the straight-line method over the estimated useful lives as follows:

Furniture and fixtures	5 years
Transportation equipment	5 years
Buildings and improvements	40 years

j. Impairment of Long-Lived Assets

The Administrative Offices reviews its long-lived assets, consisting of buildings and equipment, for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The Administrative Offices determines recoverability of the assets by comparing the carrying value of the asset to the net future undiscounted cash flows that the asset is expected to generate or fair market value. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. During fiscal 2008, the Administrative Offices wrote-off $1,873,242 relating to property that was damaged as a result of Hurricane Katrina (see Note 3).

k. Historical Treasures

Included in other assets is a donation of historical documents that does not meet the definition of a collection. This asset was recorded at fair market value at the time of donation.

l. Promise To Give

The Administrative Offices records promises to give as a liability and a donation in the year in which the commitment was made.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Deposits Payable To Affiliates

Entities affiliated with the Archdiocese are encouraged to deposit funds not required for short-term operating needs with the Administrative Offices. Such deposits are used to fund loans and make other investments. Market rates of interest are paid on such deposits. Such interest rates are adjusted annually based on changes in the 90-day U.S. Treasury bill rate.

n. Funds Held for Others

The Administrative Offices acts as a custodian for funds owned by affiliated entities to provide centralized investment of pooled assets. Earnings on these investments are allocated monthly.

o. Amortization of Bond Issue Costs

Included in other assets are bond issue costs of $3,104,000 as of June 30, 2009 and 2008, which are being amortized over the term of the related bond issue using a method that approximates the interest method. Accumulated amortization was $231,000 and $126,000 as of June 30, 2009 and 2008, respectively.

p. Statements of Activities

Transactions deemed to be ongoing, major, or central to the operations of the Administrative Offices are reported as operating revenues and expenses. Peripheral or incidental transactions, when material, are reported as non-operating gains or losses, as are investment returns over and above the predetermined spending rate. Grants and donations received and distributed to affiliates and expenses incurred relating to Hurricane Katrina (see Note 3) and the Pastoral Plan bad debt recovery (see Note 4) are reported as non-operating activities.

Changes in unrestricted net assets that are excluded from excess (deficiency) of unrestricted revenues, gains, and other support over expenses include changes in the additional minimum pension liability.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Contributed Support

The Administrative Offices recognizes all contributed support received as income in the period received. Contributed support is reported as unrestricted or as restricted depending on the existence of donor stipulations that limit the use of the support.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Federal grant income received and expended in the same year is recorded as unrestricted revenues.

Long-lived assets acquired with gifts of cash restricted for those acquisitions are reported as unrestricted or as temporarily restricted depending on whether there is an explicit, donor-imposed time requirement as to how long the assets must be maintained. Long-lived assets are reported as permanently restricted only if the Administrative Offices must maintain the assets in perpetuity or if the donor explicitly restricted the proceeds from any future disposition of the assets to reinvestment in long-lived assets.

r. Functional Allocation of Expenses

The costs of providing various programs and other activities of the Administrative Offices have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

s. Income Taxes

The Archdiocese is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. New Accounting Pronouncements

The financial statements reflect the prospective adoption of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("FASB Statement No. 157"), as of the beginning of the year ended June 30, 2009 (see Note 16). FASB Statement No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and establishes a single authoritative definition of fair value, sets a framework for measuring value, and requires additional disclosures about fair value measurements. The effect of the adoption of FASB Statement No. 157 had no impact on the Statement of Financial Position as of June 30, 2009 or the Statement of Activities and the Statement of Cash Flows for the year ended June 30, 2009.

In December 2008, the FASB issued FASB Staff Position ("FSP") FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, to its annual financial statements for fiscal years beginning after December 15, 2008. The Administrative Offices has elected to defer the application of the uncertain tax position provisions of FASB Interpretation No. 48 for the year ended June 30, 2009. The Administrative Offices evaluates its uncertain tax positions using the provisions of Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

u. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through November 16, 2009, which is the date the financial statements were available to be issued.

Note 3 - HURRICANE KATRINA

On August 29, 2005, Hurricane Katrina crossed the Louisiana coast causing catastrophic damage to many of the Archdiocese properties in the civil parishes of Orleans, Plaquemines, St. Bernard, Jefferson, and St. Tammany. As a result of the damage caused by Hurricane Katrina during fiscal 2006, the Archdiocese closed 6 church parishes and delayed the reopening of 23 church parishes and 18 schools. In addition, the Administrative Offices reduced non-clergy staff by approximately 30%.

The June 30, 2009 and 2008 financial statements reflect certain unusual items as a result of the effects of Hurricane Katrina on the operations of the Administrative Offices. The 2008 Statement of Activities reflects $37 million of grants and donations received and hurricane-related expenses of $30 million. The 2009 Statement of Activities reflects $21 million of grants and donations received and hurricane related expenses of $18 million.

The following table presents information related to Hurricane Katrina for the years ended June 30, 2009 and 2008:

	2009	2008
Unrestricted revenues:		
Unrestricted donations related to Hurricane Katrina	$ 43,770	$ 1,339,611
Federal grant monies received	16,278,134	30,462,651
Net assets released from restrictions - Hurricane Katrina	2,144,165	8,244,942
Total unrestricted revenues related to Hurricane Katrina	18,466,069	40,047,204
Temporarily restricted revenues:		
Restricted donations related to Hurricane Katrina	4,209,895	5,341,360
Net assets released from restrictions - Hurricane Katrina	(2,144,165)	(8,244,942)
Total temporarily restricted revenues related to Hurricane Katrina	2,065,730	(2,903,582)
Total revenues related to Hurricane Katrina	$ 20,531,799	$ 37,143,622

Note 3 - HURRICANE KATRINA (Continued)

	2009	2008
Distributions - non-combined affiliated entities:		
Restricted donations received and distributed to affiliates	$ (2,144,165)	$ (8,244,942)
Unrestricted donations received and distributed to affiliates	(771,748)	(5,529,348)
Federal grant monies distributed to affiliates	(14,663,528)	(14,340,467)
Total distributions to non-combined affiliated entities	(17,579,441)	(28,114,757)
Administrative offices:		
Impaired or destroyed property	-	(1,873,242)
Total Hurricane Katrina related expenses	-	(1,873,242)
Total expenses related to Hurricane Katrina - net	$ (17,579,441)	$ (29,987,999)

The Archdiocese, through the operations of the Administrative Offices, serves as a conduit in providing insurance coverage to its affiliates, including wind, flood, and business interruption (see Note 18). Actual affiliate insurance claims and proceeds received from insurance claims related to wind, flood, and business interruption are not recorded in the operations of the Administrative Offices and are not included in the Statements of Activities herein.

The Administrative Offices, together with the non-combined affiliated entities, has wind coverage through the Archdiocese with an aggregate limit of $1.5 billion. Approximately $347,000 in insurance proceeds relating to property damage for the Administrative Offices was received in the year ended June 30, 2006. No further insurance proceeds are expected to be received from the insurer.

Note 3 - HURRICANE KATRINA (Continued)

The Administrative Offices, together with the non-combined affiliated entities, has flood coverage through the National Flood Insurance Program. As of June 30, 2009, $13 million in flood insurance proceeds had been received by the Administrative Offices on behalf of the affected parishes and schools. As of June 30, 2009 and 2008, approximately $176,000 and $527,000, respectively, was undistributed and recorded as a liability in the accompanying Statements of Financial Position.

The Administrative Offices, together with the non-combined affiliated entities, has business interruption coverage through the Archdiocese. During 2007, the Administrative Offices, on behalf of the non-combined affiliated entities, settled with the insurer for $7.3 million, of which $1.9 million was received during fiscal 2009 and $5.4 million was received during fiscal years 2008 and 2007. As of June 30, 2009 and 2008, approximately $2.6 million and $699,000, respectively, was undistributed and recorded as accrued expenses and other liabilities in the accompanying Statements of Financial Position.

Note 4 - PASTORAL PLAN

On April 9, 2008, the Archdiocese promulgated a plan to address the way in which the Archdiocese will offer pastoral, educational, and social services in the Greater New Orleans area. The plan called for 27 church parishes to be closed and merged with neighboring church parishes, 4 to become missions, and 2 to become Campus Ministry Centers, giving up their role as parishes. The Administrative Offices has loans receivable from several of these parishes. Additionally, several of these parishes have funds on deposit with the Administrative Offices. During the year ended June 30, 2006, the Administrative Offices fully reserved these loan balances. On April 4, 2008, the Archdiocesan Finance Council approved funding by the Administrative Offices to eliminate the net deficit positions of parishes with existing debt. During the year ended June 30, 2008, the Administrative Offices recorded a recovery of the reserved loans of $6,082,981 and recorded a promise to give in the amount of $5,444,451, which represents the net deficit positions of the closed and merging parishes. During the year ended June 30, 2009, the Administrative Offices paid promises to give in the amount of $5,186,690 and reversed $62,084 of the original amount which was not needed. The Administrative Offices will pay the remaining $195,677 in fiscal year 2010.

Note 5 - PLEDGES RECEIVABLE

Pledges receivable are considered fully collectible; accordingly, no allowance for uncollectible pledges has been provided.

As of June 30, 2009 and 2008, pledges receivable consist of the following:

	2009	2008
Receivable in less than one year	$ 200,000	$ 200,000
Receivables in one to five years	200,000	400,000
Total pledges receivable	$ 400,000	$ 600,000

Note 6 - LOANS RECEIVABLE FROM AFFILIATES

A summary of loans receivable from affiliates as of June 30, 2009 and 2008, is as follows:

	2009	2008
Parishes	$ 32,342,837	$ 36,501,948
Nursing homes	20,985,014	24,786,949
Archdiocesan-sponsored high schools	7,761,469	7,412,184
Borrowings under revolving lines of credit	69,314	2,980,934
Real estate - Affordable Housing Ministries	3,152,207	2,956,927
Other school-related loans	265,950	197,653
Other	2,579,158	2,709,610
Total loans	67,155,949	77,546,205
Less allowance for doubtful receivables	(10,847,843)	(13,241,446)
Total loans - net	$ 56,308,106	$ 64,304,759

Note 6 - LOANS RECEIVABLE FROM AFFILIATES (Continued)

A summary of loans receivable from affiliates based on interest-accrued status as of June 30, 2009 and 2008, is a follows:

	2009	2008
Balances on which interest is accrued	$ 55,002,375	$ 58,690,051
Balances on which interest is not accrued	12,153,574	18,856,154
Totals	$ 67,155,949	$ 77,546,205

Note 7 - INVESTMENTS

The Administrative Offices' investments are held in pooled assets and separately invested portfolios. Pooled assets represent funds that are invested in a commingled portfolio of investments, as opposed to the separately invested assets which have segregated investments. Investments are recorded at fair value at June 30, 2009 and 2008, and consist of the following:

	2009	2008
Pooled asset portfolio:		
Cash and cash equivalents	$ 9,740,877	$ 6,140,872
U.S. government and agency obligations	12,923,915	14,511,599
Corporate obligations	16,016,888	14,293,953
Corporate stocks	17,002,509	24,383,689
Mutual funds	37,347,027	65,424,444
Hedge funds	9,390,210	7,976,165
Futures and options	-	108,993
Total pooled asset portfolio	102,421,426	132,839,715
Separately invested portfolio:		
Cash and cash equivalents	10,864,110	21,217,723
Government and agency obligations	52,593,314	30,053,527
Corporate obligations	23,124,753	29,884,897
Investment in Catholic Umbrella Pool	627,021	925,923
Other	5,291,388	11,185,582
Total separately invested portfolio	92,500,586	93,267,652
Totals	$ 194,922,012	$ 226,107,367

Note 7 - INVESTMENTS (Continued)

As of June 30, 2009 and 2008, investments are comprised of amounts owned by the Administrative Offices and funds held for others as follows:

	2009	2008
Administrative Offices:		
Restricted for debt services	$ 6,326,339	$ 6,461,666
Other	147,323,524	166,118,561
	153,649,863	172,580,227
Funds held for others	41,272,149	53,527,140
Totals	$ 194,922,012	$ 226,107,367

Net investment loss for the years ended June 30, 2009 and 2008, is comprised of the following:

	2009	2008
Interest, dividends, and realized gains (losses) - net	$ (707,834)	$ 7,704,081
Unrealized gains (losses) - net	(19,585,653)	(10,281,190)
Total net investment loss	$ (20,293,487)	$ (2,577,109)

Note 7 - INVESTMENTS (Continued)

	2009	2008
Investment return designated for current operations:		
Unrestricted	$ 2,781,222	$ 963,912
Temporarily restricted	743,564	2,513,693
	3,524,786	3,477,605
Investment return - non-operating:		
Unrestricted	(18,793,737)	(1,678,230)
Temporarily restricted	(5,024,536)	(4,376,484)
	(23,818,273)	(6,054,714)
Total net investment income (loss)	$ (20,293,487)	$ (2,577,109)

Investment income is reported net of investment fees. Investment fees were approximately $436,000 and $463,000 for the years ended June 30, 2009 and 2008, respectively.

Note 8 - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment include certain properties which are owned by the Archdiocese but are used in the operations of certain non-combined affiliated entities. Additionally, included in land, buildings, and equipment is land held for future development by the Archdiocese, as detailed below.

The composition of land, buildings, and equipment and accumulated depreciation as of June 30, 2009 and 2008, is summarized as follows:

Note 8 - LAND, BUILDINGS, AND EQUIPMENT (Continued)

	2009	2008
Administrative offices:		
Land	$ 2,629,685	$ 2,629,685
Buildings and improvements	18,906,048	18,905,906
Furniture and fixtures	1,278,408	1,252,999
Transportation equipment	34,114	17,129
	22,848,255	22,805,719
Less accumulated depreciation	(14,140,923)	(13,777,386)
Subtotals	8,707,332	9,028,333
Non-combined affiliated entities:		
Land	6,671,031	6,771,031
Buildings and improvements	34,971,434	33,994,134
	41,642,465	40,765,165
Less accumulated depreciation	(14,564,324)	(15,917,882)
Subtotals	27,078,141	24,847,283
Land held for future development (includes $190,625 of land, the use of which is restricted)	8,166,912	8,186,512
Totals	$ 43,952,385	$ 42,062,128

During fiscal 2008, the Administrative Offices recorded impairment losses of $1,873,242 on property used by non-combined affiliated entities that was damaged as a result of Hurricane Katrina.

As of June 30, 2008, non-combined affiliated entities' buildings and improvements cost included $16,041,947 of construction in progress on a building to be used by Archbishop Hannan High School. The building was placed in service in the fall of 2008 at a total cost of $19,079,527.

Note 8 - LAND, BUILDINGS, AND EQUIPMENT (Continued)

Depreciation expense for the years ended June 30, 2009 and 2008 was approximately $924,000 and $611,000, respectively, and is reported in the Statements of Activities by functional category:

	2009	2008
Program services	$ 63,564	$ 63,408
Supporting services	860,897	547,464
Totals	$ 924,461	$ 610,872

Note 9 - BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUST

During the fiscal year ended June 30, 2001, the Administrative Offices received possession of a 20% interest in the assets of the Margaret Ellen Lauer Estate (the "Estate"). However, certain assets from the Estate were placed in a charitable remainder trust. The Administrative Offices' interest in this charitable remainder trust is as follows:

	2009	2008
Contribution receivable	$ 678,725	$ 719,351
Less discount to net present value	(259,626)	(295,187)
Beneficial interest in charitable remainder trust	$ 419,099	$ 424,164

The present values are calculated using a discount rate equal to 5% and the applicable mortality tables pertinent to trust beneficiaries.

All amounts are considered to be long-term since the dates of the distribution of the trust are uncertain.

Note 10 - BONDS PAYABLE

In March 2007, the Archdiocese completed a refinancing for the purpose of advance refunding certain bonds and providing for the financing of certain capital projects of the Archdiocese and non-combined affiliated entities. The Louisiana Public Facilities Authority issued the $69.15 million par value 2007 Series Revenue and Revenue Refunding Bonds at a premium of $1.3 million. Approximately $14.8 million of the proceeds were designated for the refunding of all outstanding principal and accrued interest on the 2001A Series Bonds, which were previously outstanding at June 30, 2006, and the 2002C Series Bonds which were previously guaranteed by the Administrative Offices on behalf of certain non-combined affiliated entities. Amounts under the 2002C Series which were refunded by the 2007 Series were converted to loans receivable from the original obligated parties. The 2007 bonds were issued at fixed rates ranging from 4.5% to 5% and are secured by an assignment of all presently existing and future revenues of the Archdiocese as defined in the loan agreement.

The aggregate maturities of the bonds payable as of June 30, 2009, are as follows:

Years Ending June 30,	
2010	$ -
2011	1,140,000
2012	1,200,000
2013	1,260,000
2014	1,325,000
Thereafter	62,030,000
Subtotal	66,955,000
Unamortized bond premium	1,175,330
	$ 68,130,330

Note 11 - RETIREMENT PLANS

The Administrative Offices offers a 401(k) defined contribution plan (the "401(k) Plan") to their lay employees. Employees electing to participate in the 401(k) Plan are required to contribute a minimum of 3% of their salaries, and may elect to contribute up to a maximum of 16%. The 401(k) Plan requires the Administrative Offices to contribute 3.5% of the participants' salaries. The 401(k) Plan expense also includes an additional 2% contribution by the Administrative Offices to cover plan costs for life insurance and disability insurance for the employees. Any remaining funds from the 2% contribution may be used as a discretionary employer contribution to the 401(k) Plan. The 401(k) Plan administrator is the Archdiocese. The Administrative Offices contributed approximately $179,000 and $163,000 for the years ended June 30, 2009 and 2008, respectively.

Incardinated priests of the Archdiocese whose retirement from active service is duly accepted by the Archbishop are eligible for retirement benefits under an unfunded retirement plan (the "Plan"). The Administrative Offices has elected to account for these retirement benefits under accounting principles generally accepted in the United States of America as a defined benefit pension plan.

The Administrative Offices previously adopted the provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an Amendment of SFAS No. 87, 88, 106, and 132(R)* ("SFAS No. 158"). SFAS No. 158 requires an employer to recognize the overfunded or underfunded status of defined benefit pension and postretirement plans as an asset or liability in its balance sheets and to recognize changes in that funded status in the year in which the changes occur through other comprehensive income or net assets for not-for-profit entities.

Note 11 - RETIREMENT PLANS (Continued)

The following table as of June 30, 2009 and 2008 sets forth the Plan's change in benefit obligation, change in Plan assets, and the funded status of the Plan:

	2009	2008
Change in benefit obligation:		
Projected benefit obligation - beginning of year	$ (21,473,022)	$ (23,341,236)
Adjustments for measurement date transition (March 31 to June 30)		(298,673)
Projected benefit obligation - beginning of year (as adjusted)	(21,473,022)	(23,639,909)
Service cost	(233,419)	(272,051)
Interest cost	(1,479,941)	(1,458,880)
Amendments	681,888	203,609
Actuarial gain (loss)	(2,748,073)	1,771,550
Benefits paid	1,262,646	1,197,092
Other adjustments for measurement date transition	-	725,567
Projected benefit obligation - end of year	(23,989,921)	(21,473,022)
Change in plan assets:		
Fair value of plan assets - beginning of year	-	-
Employer contributions made	1,262,646	1,197,092
Benefits paid	(1,262,646)	(1,197,092)
Fair value of plan assets - end of year	-	-
Funded status - (deficit)	$ (23,989,921)	$ (21,473,022)

Note 11 - RETIREMENT PLANS (Continued)

	2009	2008
Amounts recognized in the statements of financial position consist of:		
Accrued pension liability	$ (23,989,921)	$ (21,473,022)
Unrestricted net assets		
Net (gain)/loss	$ 1,787,590	$ (960,483)
Prior service cost	797,492	1,662,476
Transition obligation	4,654,223	5,505,086
Totals	$ 7,239,305	$ 6,207,079

The actuarial present value of the projected benefit obligation was computed using a weighted-average discount rate of 6.182% and 7.131% as of June 30, 2009 and 2008, respectively. Because benefit payments are based on years of service rather than compensation levels, there is no difference between the accumulated and projected benefit obligation.

Net periodic pension cost for the years ended June 30, 2009 and 2008, includes the following components:

	2009	2008
Service costs - benefits earned during the periods	$ 233,419	$ 272,051
Interest cost on projected benefit obligation	1,479,941	1,458,880
Amortization of transition obligation	850,863	850,863
Amortization of prior service cost	183,096	205,528
Subtotals	2,747,319	2,787,322
Adjustment for measurement date transition	-	697,293
Net periodic pension cost	$ 2,747,319	$ 3,484,615

The net periodic pension cost was computed using a weighted-average discount rate of 7.131% and 6.57% for the years ended June 30, 2009 and 2008, respectively.

Note 11 - RETIREMENT PLANS (Continued)

The Administrative Offices currently expects to make benefit payments and contributions to the Plan of approximately $1,517,000 in fiscal 2010.

The estimated net loss, prior service cost, and transition obligation for the Plan that will be amortized from accumulated unrestricted net assets into net periodic benefit cost over the next fiscal year is estimated at $0, $98,702 and $850,863, respectively.

Future benefit payments expected to be paid in each of the next five fiscal years and in the aggregate for the following five years as of June 30, 2009, are as follows:

Years Ending June 30,	
2010	$ 1,517,256
2011	1,492,556
2012	1,491,228
2013	1,509,850
2014	1,532,756
2015 - 2019	7,743,898
	$ 15,287,544

Note 12 - NET ASSETS

Unrestricted net assets at June 30, 2009 and 2008 consisted of the following:

	2009	2008
Undesignated	$ 27,515,680	$ 39,127,051
Designated for various parishes	-	3,555,548
Total unrestricted net assets	$ 27,515,680	$ 42,682,599

Note 12 - NET ASSETS (Continued)

Temporarily restricted net assets as of June 30, 2009 and 2008 were available as follows:

	2009	2008
Hurricane Katrina	$ 3,710,873	$ 1,645,143
Infirm priests	3,659,707	4,261,440
School Endowment	872,098	4,369,959
Margaret Lauer	697,986	703,051
Cathedral Capital Campaign	415,220	674,444
Disaster Fund	241,428	647,348
Hector Ragas	215,620	254,995
Cummings land donation	127,125	127,125
Burses	(104,568)	435,540
Other - miscellaneous	453,086	426,079
Totals	$ 10,288,575	$ 13,545,124

Permanently restricted net assets as of June 30, 2009 and 2008, consist of endowment funds and are held as follows:

	2009	2008
School Endowment	$ 11,152,537	$ 11,152,537
Burses	1,867,895	1,866,340
St. Louis Cathedral	1,000,000	1,000,000
Totals	$ 14,020,432	$ 14,018,877

Note 13 - CONCENTRATIONS OF CREDIT RISK

As of June 30, 2009, the Administrative Offices had a bank account which exceeded the $250,000 limit insured by the Federal Deposit Insurance Corporation ("FDIC") by approximately $318,000. Also, as of June 30, 2009, the Administrative Offices had a sweep account with a balance of approximately $7,107,000 which was not insured by the FDIC.

Note 13 - CONCENTRATIONS OF CREDIT RISK (Continued)

The Administrative Offices extends unsecured credit to non-combined affiliated entities, as further explained in Note 2. Financial instruments that potentially subject the Administrative Offices to credit risk include these accounts, which are shown on the statements of financial position as accounts and loans receivable.

Note 14 - RELATED-PARTY TRANSACTIONS

The Archbishop of New Orleans serves as president of the Archdiocese. He also serves as the controlling member of all other corporations, boards of trustees, and separate activities sponsored by, or operated under, the auspices of the Archdiocese. In the normal course of operations, the Administrative Offices has made and will, when necessary, make available to these non-combined affiliated entities, specific assistance in the form of operating subsidies, loans, use of facilities, and/or administrative support. The Administrative Offices receives income from affiliates in the form of assessments to cover insurance and other administrative costs. In addition, the Administrative Offices pays interest on deposits payable to affiliates and collects interest on loans receivable from affiliates.

In lieu of rental payments for the use of facilities, non-combined affiliated entities pay insurance and repairs and maintenance for the facilities. The provision of the facilities is not recorded as an in-kind contribution and related rental income by the Administrative Offices. The values of the land and buildings are not readily determinable. These rental agreements are classified as exchange transactions because both parties receive significant value from these arrangements.

Note 15 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and Cash Equivalents - The carrying amount approximates fair value because of the short maturity of these instruments.

Loans Receivable From Affiliates - The carrying amount approximates fair value because amounts not reserved generally bear interest at market rates.

Investments - The carrying amounts of the marketable investment securities reported on the statements of financial position are predominately based on quoted market prices.

Note 15 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Bonds Payable - The carrying value of long-term debt at June 30, 2009 and 2008 is $68,130,330 and $69,293,813, respectively, which approximates fair value.

Limitations - Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Note 16 - FAIR VALUE MEASUREMENTS

FASB Statement No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments.

FASB Statement No. 157 establishes a fair value hierarchy which prioritizes inputs to valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad categories. These levels include: Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Portfolio A - The custodian of this portfolio uses independent pricing services, where available, to value the securities included in this portfolio. If an independent pricing service does not value a security or the value is not, in the view of the custodian, representative of the market value, the custodian will attempt to obtain a price quote from a

Note 16 - FAIR VALUE MEASUREMENTS (Continued)

secondary pricing source, which may include third party brokers, investment advisers, principal market makers or affiliated pricing services. If a secondary source is unable to provide a price, the custodian may obtain a quotation from the counterparty that sold the security.

More specifically, the custodian uses quoted market prices for valuing government obligations, corporate stocks, and foreign equities which are all classified within Level 1 of the fair value hierarchy. The custodian uses quoted market prices, which represent the net asset value per unit, to value mutual and money market funds, which are also classified within Level 1 of the fair value hierarchy. Fixed income securities included in this portfolio, such as government agency mortgage obligations and corporate and foreign obligations are classified within Level 2 of the fair value hierarchy and are valued based on bid-side quotations or evaluated bids based on internal models used by the custodian's independent pricing service. The Ashmore Multi Strategy Fund, which is classified within Level 2 of the fair value hierarchy, is valued based on market quotes in a market that is not active. Other alternative investments are valued at an evaluated price provided by a counterparty or fund manager that may or may not be an affiliate of the Portfolio A custodian.

Portfolio B - The custodian of this portfolio uses Interactive Data Pricing and Reference Data, Inc. ("Interactive Data") to price securities in this portfolio. Asset prices may also be obtained from Bloomberg for publicly traded securities not priced by Interactive Data. The vast majority of the portfolio's assets are priced by Interactive Data.

More specifically, the custodian uses quoted market prices which represent the net asset value per unit to value money market funds which are classified within Level 1 of the fair value hierarchy. The remainder of the portfolio is composed of various fixed income securities which do not trade on a daily basis. Because of this, Interactive Data uses pricing methodologies which apply available information through processes such as benchmark curves, benchmarking of like securities, and matrix pricing to arrive at values used for the various fixed income securities in this portfolio. Accordingly, these fixed income securities are classified within Level 2 of the fair value hierarchy.

Bond Funds - The Administrative Offices uses quoted market prices which represent the net asset value per unit to value the money market fund included in this group of investments. The money market fund is classified within Level 1 of the fair value hierarchy. The other investment included in this group is a corporate obligation which is valued by the Administrative Offices at par and is classified within Level 2 of the fair value hierarchy.

Note 16 - FAIR VALUE MEASUREMENTS (Continued)

Investment in the Catholic Umbrella Pool - The Administrative Offices values its investment in this pool based on information provided by the pool manager. This investment is classified within Level 2 of the fair value hierarchy.

Beneficial Interest in Charitable Remainder Trust - The Administrative Offices values its investment in this trust based on present value calculations (Note 9) applied to trust assets. This investment is classified within Level 2 of the fair value hierarchy.

Asset Retirement Obligation - The Administrative Offices calculates this liability based on an original cost estimate of the obligation and accretes such amount to its present value each year.

Accrued Pension Liability - The Administrative Offices uses actuarial services to calculate the present value of the projected benefit obligation (Note 11).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Administrative Offices believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets and liabilities measured at fair value on a recurring basis at June 30, 2009 are comprised of and determined as follows:

Note 16 - FAIR VALUE MEASUREMENTS (Continued)

Description	Total Assets and Liabilities Measured At Fair Value	Quoted Prices In Active Markets (Level 1)	Based on Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets, at Fair Value				
Portfolio A				
Cash and money market funds	$ 9,957,826	$ 9,957,826		
Government obligations	4,680,720	4,680,720		
Government agency mortgage obligations	8,243,195		$ 8,243,195	
Corporate obligations	11,630,640		11,630,640	
Foreign obligations	4,386,248		4,386,248	
Corporate stocks	3,553,285	3,553,285		
Foreign equities	13,449,224	13,449,224		
Mutual funds	37,347,027	37,347,027		
Ashmore Multi Strategy Fund	5,291,388		5,291,388	
Siguler Guff Distressed Opportunity Fund III, LP	2,937,995			$ 2,937,995
Meridian Diversified Fund, Ltd.	6,452,215			6,452,215
Total Portfolio A	107,929,763	68,988,082	29,551,471	9,390,210
Portfolio B				
Money market fund	2,400,814	2,400,814		
Asset backed securities	5,317,791		5,317,791	
Collateralized mortgage obligations	6,739,750		6,739,750	
Government agency mortgage obligation	10,422,343		10,422,343	
Corporate obligations	6,515,137		6,515,137	
Government agency obligations	13,554,795		13,554,795	
Municipal obligations	28,616,176		28,616,176	
Total Portfolio B	73,566,806	2,400,814	71,165,992	-
Bond Funds				
Money market fund	8,246,347	8,246,347		
Corporate obligations	4,552,075		4,552,075	
Total Bond Funds	12,798,422	8,246,347	4,552,075	-
Investment in Catholic Umbrella Pool	627,021	-	627,021	-
Total investments	$ 194,922,012	$ 79,635,243	$ 105,896,559	$ 9,390,210
Beneficial Interest in Charitable Remainder Trust	$ 419,099	$ -	$ 419,099	$ -

Note 16 - FAIR VALUE MEASUREMENTS (Continued)

Description	Total Assets and Liabilities Measured At Fair Value	Quoted Prices In Active Markets (Level 1)	Based on Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Liabilities, at Fair Value				
Asset Retirement Obligation - included in accrued expenses and other	$ 675,860			$ 675,860
Accrued Pension Liability	23,989,921	$ -	$ 23,989,921	
Total Liabilities	$ 24,665,781	$ -	$ 23,989,921	$ 675,860

The Statement of Financial Position as of June 30, 2009, includes the following assets which are measured at fair value on a non-recurring basis: donated historical treasures included in other assets totaling $122,000 (Level 3) and donated land in an undetermined amount which are valued at fair value as of the time of the donations.

The table below sets forth a summary of changes in the fair value of the Administrative Offices' Level 3 assets and liability for the year ended June 30, 2009.

	Siguler Guff Distressed Opportunity Fund III, LP	Meridian Diversified Fund, Ltd.	Asset Retirement Obligation
Balance, beginning of year	$ -	$ 7,976,165	$ 643,676
Purchases	3,010,000		
Unrealized losses	(72,005)	(1,523,950)	
Accretion			32,184
Balance, end of year	$ 2,937,995	$ 6,452,215	$ 675,860

Note 17 - ENDOWMENT

The Administrative Offices' endowment consists of three individual funds established for specific purposes. Endowment assets include those assets of donor-restricted funds that the Administrative Offices must hold in perpetuity or for a donor-specified period. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of restrictions imposed by a donor.

The Administrative Offices has interpreted the Uniform Management of Institutional Funds Act ("UMIFA") as requiring preservation of the fair value as of the gift date of the original gift of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Administrative Offices classifies (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Administrative Offices in a manner consistent with the language of UMIFA.

Endowment fund net asset composition by type of fund as of June 30, 2009 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Fund Net Assets
Donor-restricted Endowments:				
School Endowment Funds	$ -	$ 872,098	$ 11,152,537	$ 12,024,635
Other		310,652	2,867,895	3,178,547
Totals	$ -	$ 1,182,750	$ 14,020,432	$ 15,203,182

Note 17 - ENDOWMENT (Continued)

Changes in endowment fund net assets for the year ended June 30, 2009 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Fund Net Assets
Net assets, beginning of year	$ -	$ 5,479,943	$ 14,018,877	$ 19,498,820
Contributions			1,555	1,555
Investment earnings:				
Realized gains		510,589		510,589
Unrealized losses		(4,055,465)		(4,055,465)
Net asset releases		(752,317)		(752,317)
Net assets, end of year	$ -	$ 1,182,750	$ 14,020,432	$ 15,203,182

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMIFA requires the Administrative Offices to retain as a fund of perpetual duration. As of June 30, 2009 no deficiencies existed.

Return Objectives and Risk Parameters - The Administrative Offices has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the investment policy, the performance objective is to exceed by 100 basis points a target annualized rate of return equal to the aggregate of inflation, spending rate and administrative costs, over a full market cycle (defined as market peak to market peak) without exceeding a standard deviation of 1.2 times a weighted benchmark index. The benchmark index will be comprised of each asset class index weighted by its target allocation. It is expected that the portfolio will outperform its weighted benchmark index by 50 basis points and rank in the top half of the appropriate balanced universe over a full market cycle. Actual returns in any given year may vary from this amount.

Note 17 - ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives - Because the Archdiocese is expected to endure indefinitely, and because inflation is a key component in its performance objective, the long-term risk of not investing in equity securities outweighs the short-term volatility risk. As a result, the majority of assets will be invested in equity securities. Fixed income securities will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but is a residual to the investment process and used to meet short-term liquidity needs. Other asset classes are included to provide diversification and incremental return (e.g. small cap equities, international equities, etc.). The Administrative Offices targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Administrative Offices authorized a policy of appropriating for distribution each year (spending rate) a maximum of 5% of the prior year market value of the endowment funds. This is consistent with its objective to maintain the purchasing power of donor-restricted funds.

Note 18 - COMMITMENTS AND CONTINGENCIES

Commitments - The Administrative Offices has agreed to provide financing via the cooperative lending program (see Note 2e) to individual church parishes for capital expenditures. At June 30, 2009 and 2008, such commitments totaled approximately $45,000,000 and $40,000,000, respectively.

In February 2009, the Administrative Offices subscribed to a $7,000,000 investment in a partnership. As of June 30, 2009, $3,010,000 of this investment was funded.

Guarantees - As of June 30, 2009, the Administrative Offices has guaranteed $1.5 million of indebtedness of a non-combined affiliate.

Self-Insurance Programs - The Archdiocese, through the operations of the Administrative Offices, serves as a conduit in providing insurance coverage to its affiliates. The Administrative Offices assesses premiums to the various entities based on relevant factors for each type of coverage and retains all of the related risk of self-insurance liability. The accrued liability for self-insured claims on the accompanying Statements of Financial Position represents the estimated reserves for all of the covered entities.

Note 18 - COMMITMENTS AND CONTINGENCIES (Continued)

General, Property, and Auto Liability - The Archdiocese is self-insured for $200,000 per occurrence up to an annual aggregate limit of $1,500,000 through June 30, 2003, and $1,750,000 thereafter. The Archdiocese is a subscribing member in the Catholic Umbrella Pool (the "CUP"). The CUP provides the Archdiocese with reinsurance for amounts in excess of its primary layer of insurance coverage of $1,500,000 through June 30, 2003, and $1,750,000 from July 1, 2003 and thereafter, with excess coverage limits of $25,000,000 in the aggregate. The Archdiocese has an equity investment in the CUP of approximately $627,000 and $926,000 at June 30, 2009 and 2008, respectively.

The Archdiocese is also self-insured for claims relating to breaches of personal conduct. The self-insured portion applies to claims in excess of annual aggregate limits (which includes reinsurance for amounts provided by the CUP) as follows: amounts in excess of $100,000 from July 1, 1990 to July 1, 1993; amounts in excess of $650,000 from July 1, 1993 to July 1, 1998; and amounts in excess of $1,000,000 for claims after July 1, 1998.

Workers' Compensation - Prior to July 1, 2002, the Archdiocese was self-insured for workers' compensation claims for the first $225,000 per occurrence. Subsequent to July 1, 2002, the Archdiocese is self-insured for workers' compensation claims for the first $750,000 per occurrence.

The Archdiocese has reflected its estimate of the ultimate liability for all known and incurred but not reported claims in the accompanying financial statements. The estimated reserves for these claims are undiscounted and are approximately $8,353,000 and $5,723,000 at June 30, 2009 and 2008, respectively.

Asset Retirement Obligations - In March 2005, the FASB issued FASB Interpretation No. 47, *Accounting For Conditional Asset Retirement Obligations* ("FIN 47"), which is an interpretation of SFAS No. 143, *Accounting For Asset Retirement Obligations* ("SFAS No. 143") that was effective January 1, 2003. FIN 47 is effective for fiscal years ended after December 15, 2005. FIN 47 addresses the diverse accounting practices that were developed with respect to the timing of liability recognition for legal obligations associated with the retirement of a tangible long-lived asset when the timing of the obligation is conditional on a future event. FIN 47 clarifies that an entity is required to recognize a liability for the fair market value of a conditional asset retirement obligation when incurred

Note 18 - COMMITMENTS AND CONTINGENCIES (Continued)

if the liability's fair value can be reasonably estimated. The corresponding cost is capitalized as part of the carrying amount of the related long-lived asset as of the obligating event date. The liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. If the liability is settled for an amount other than the recorded amount, a gain or loss is recognized.

As of June 30, 2006, the Administrative Offices recognized obligations associated with the future retirement of long-lived assets. Asbestos abatement costs were added to the carrying value of the Administrative Offices' building cost. The recorded net book value of the abatement costs totaled approximately $445,000 and $465,000 as of June 30, 2009 and 2008, respectively.

Estimated asset retirement obligations of approximately $676,000 and $644,000 as of June 30, 2009 and 2008, respectively, were recorded as part of accrued expenses and other liabilities.

Contingencies - The Archdiocese has certain pending and threatened litigation and claims; however, management believes the probable resolution of such contingencies will not exceed the established reserves or insurance coverage, and will not materially affect its financial position.

SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET ASSETS - TEMPORARILY RESTRICTED

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2009
(with comparative totals for 2008)

	School Endowment	Infirm Priests	Burses	Disaster Fund	Cummings Land Donation	Cathedral Capital Campaign	Hector Ragas	Margaret Lauer	Hurricane Katrina	Others	2009 Totals	2008 Totals
Balances, beginning of year	$ 4,369,959	$ 4,261,440	$ 435,540	$ 647,348	$ 127,125	$ 674,444	$ 254,995	$ 703,051	$ 1,645,143	$ 426,079	$ 13,545,124	$ 18,385,989
Additions:												
Investment earnings:												
Realized gains	406,282	82,403	69,654			34,653	4,016			6,644	603,652	704,395
Unrealized losses	(3,274,471)	(733,302)	(487,117)			(293,877)	(43,391)			(52,466)	(4,884,624)	(2,567,186)
Changes in value of split-interest agreements								(5,065)			(5,065)	107
Contributions and grants		234,866		248,741					4,209,895	116,892	4,810,394	5,853,342
Total additions	(2,868,189)	(416,033)	(417,463)	248,741	-	(259,224)	(39,375)	(5,065)	4,209,895	71,070	524,357	3,990,658
Deductions:												
Net assets released from restrictions - satisfaction of program restrictions:												
Hurricane Katrina									2,144,165		2,144,165	8,244,942
Other	629,672	185,700	122,645	654,661						44,063	1,636,741	586,581
Total deductions	629,672	185,700	122,645	654,661	-	-	-	-	2,144,165	44,063	3,780,906	8,831,523
Net change	(3,497,861)	(601,733)	(540,108)	(405,920)	-	(259,224)	(39,375)	(5,065)	2,065,730	27,007	(3,256,549)	(4,840,865)
Balances, end of year	$ 872,098	$ 3,659,707	$ (104,568)	$ 241,428	$ 127,125	$ 415,220	$ 215,620	$ 697,986	$ 3,710,873	$ 453,086	$ 10,288,575	$ 13,545,124

SCHEDULE OF CHANGES IN NET ASSETS - PERMANENTLY RESTRICTED

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2009
(with comparative totals for 2008)

	School Endowment	Burses Fund	St. Louis Cathedral	2009 Totals	2008 Totals
Balances, beginning of year	$ 11,152,537	$ 1,866,340	$ 1,000,000	$ 14,018,877	$ 14,015,852
Additions - contributions		1,555		1,555	3,025
Balances, end of year	$ 11,152,537	$ 1,867,895	$ 1,000,000	$ 14,020,432	$ 14,018,877

Schedule 3

SCHEDULE OF EXPENSES - PROGRAM SERVICES

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the years ended June 30, 2009 and 2008

	2009	2008
Christian Formation:		
Campus ministry	$ 217,092	$ 138,042
Office of Catholic Schools	1,854,785	1,012,563
Catholic Youth Organization	453,080	429,463
Director's office	134,516	121,969
Religious education office	682,506	622,476
Eucharistic adoration office	68,100	37,688
Totals	$ 3,410,079	$ 2,362,201
Clergy:		
Clergy programs	$ 5,860,683	$ 6,207,158
Permanent diaconate	143,706	137,130
Priest personnel office	312,098	226,105
Vocation office	91,281	83,804
Totals	$ 6,407,768	$ 6,654,197
Community Services:		
Director's office	$ 87,407	$ 87,201
Seaman's Center	68,325	40,086
Totals	$ 155,732	$ 127,287
Gifts and Grants:		
Donations	$ 205,240	$ 168,571
Pastoral Services:		
Ave Maria Retreat Center	$ 20,004	$ (76,634)
Black Catholics Office	162,667	158,167
Chaplains	175,890	145,649
Director's office	118,846	109,429
Family Life Apostolate	170,090	164,568
Hispanic Apostolate	143,291	155,245
Office of Worship	110,599	118,705
Spirituality Center	25,000	25,000
Totals	$ 926,387	$ 800,129
Religious:		
Director's office	$ 93,931	$ 93,034

Schedule 4

SCHEDULE OF EXPENSES - SUPPORTING SERVICES

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the years ended June 30, 2009 and 2008

	2009	2008
Administration:		
Archbishop - household	$ 113,760	$ 99,978
Archbishop - office	149,523	149,690
Archives	405,428	289,211
Communications and public relations	255,219	260,290
Former archbishops	119,200	113,820
National and regional fees	276,100	261,734
Tribunal - first instance	269,198	262,110
Tribunal - second instance	140,069	93,386
Vicar General	160,082	128,419
St. Louis Cathedral support	3,051	6,199
Victims Assistance Office	83,112	81,557
Development activities	208,724	223,525
Totals	$ 2,183,466	$ 1,969,919
Financial Services:		
Accounting office	$ 294,687	$ 280,969
Bad debt expense	468,527	499,500
Building office	386,800	335,968
Depreciation	642,262	353,205
Closed parish facilities	(294,720)	241,904
Howard Avenue building services	897,437	882,180
Human resources and employee benefits	160,954	159,622
Internal audit department	106,900	41,142
Internet services	1,343,374	2,063,400
Office of Chief Administrative Officer	468,420	419,562
Office of Chief Financial Officer	183,082	208,634
Property and general costs	935,724	340,651
Walmsley Avenue building services	453,684	345,960
Totals	$ 6,047,131	$ 6,172,697

SCHEDULE OF INVESTMENT BALANCES BY CLASSIFICATION

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

June 30, 2009

	Investment Pool	Non-pooled Investments	Equity In CUP	Restricted For Debt Service	Total
Operating Fund:					
Burse Fund	$ 1,763,251	$ 1,556			$ 1,764,807
General Account	40,315,352	85,330,101	$ 627,021	$ 6,326,339	132,598,813
Parish Development Fund	1,957,143	1			1,957,144
School Endowment Fund	12,168,139	4			12,168,143
Elmer G. Ponton Trust	200,528	-			200,528
Priests' Pension Fund	2,656,862	2,000			2,658,862
St. Louis King of France Cathedral Endowment	1,179,440	-			1,179,440
Elizabeth G. Lockett Legacy	844,481	(8,274)			836,207
Hector Ragas Fund	166,336	3			166,339
Monsignor Reynolds Aged and Infirm Priests Endowment	119,579	1			119,580
Total operating fund	61,371,111	85,325,392	627,021	6,326,339	153,649,863
Funds Held For Others:					
Adult Day Health Care Endowment	10,367				10,367
Agnes Byrnes Roniger/St. Rita Church Capital Endowment	61,506	2			61,508
Agnes Byrnes Roniger /St. Rita School Endowment Fund	32,422				32,422
The Almar Foundation Endowment	22,012				22,012
St. Andrew the Apostle School Endowment Fund	1,030,160	4			1,030,164
Archbishop Chapelle High School Endowment Fund	492,913	4			492,917
Catholic Charities Archdiocese of New Orleans	3,149,340				3,149,340
B. Frank Eshleman Seminarian Fund	127,912	1			127,913
Bahan Trust	304,351	1			304,352
Barbara Lynn Riehl Endowment	211,011				211,011
Beverly B. Durand Memorial Endowment	36,045	1			36,046
Blackie (Loyd) Barras/Our Lady of Perpetual Help School Endowment	103,582	101			103,683
Boggs/Cathedral	23,063				23,063
Boys Hope Girls Hope Endowment Fund	446,193				446,193
Brandt J. Dufrene Family Fund Endowment Fund	18,467				18,467
C.J. & Jane Dunaway Endowment	4,885				4,885
Carboni Family Fund	298,971				298,971
Care Center Endowment	10,367				10,367
Catholic Charities Endowment	22,412				22,412
Catholic Community on Scouting	25,456				25,456
Catholic Foundation Board of Directors Endowment Fund	1,080,749	600			1,081,349
Catholic Foundation Gift Annuity Pool	2,261,456	(1,831)			2,259,625
Catholic Foundation	1,734,692	8,362			1,743,054
Chateau De Notre Dame Endowment Fund	8,295	1			8,296
Children's Fund Endowment	10,367				10,367
Christ The King Church Endowment	7,726				7,726
Christian Meibaum Endowment	24,193	66,850			91,043
Christopher Homes	49,503				49,503
Clara Endowment	11,509				11,509

Schedule 5
(Continued)

	Investment Pool	Non-pooled Investments	Equity In CUP	Restricted For Debt Service	Total
Funds Held For Others: (Continued)					
Clearing Account	24,365	4			24,369
Cole Michael Geigerman Special Needs Trust	1,511				1,511
Community Centers Endowment	10,367				10,367
Community of Deacon's Endowment Fund	10,741				10,741
Connie and Frank Walk Endowment Fund	80,215				80,215
Covenant House New Orleans Endowment Fund	24,173				24,173
Delores F. Harris Endowment Fund	248,830				248,830
Domestic Violence Services Endowment	10,367				10,367
E.J. and Marjory B. Ourso Family Fund for Second Harvesters Food Bank	1,187,789	1			1,187,790
Family Counseling Endowment	10,367				10,367
Father Harold Cohen Memorial Endowment	33,799				33,799
Archbishop Francis B. Schulte	54,723	2			54,725
Good Sheperd Parish Endowment	38,115				38,115
Archbishop Philip M. Hannan Witness Endowment Fund	10,449				10,449
Helen Knesel Endowment/St. Catherine of Siena School	12,838				12,838
The Hillary Lanaux Greve Memorial Scholarship Fund	23,302				23,302
Holmes Family Endowment	159,442	1			159,443
Holy Family Endowment	23,386				23,386
Holy Name of Mary Church Endowment Foundation	59,211	1			59,212
Hooper Endowment	701,423	1			701,424
Hope Haven Endowment	12,054				12,054
Immaculate Conception Scholarship	126,106	1			126,107
Immaculate Conception (Marrero) Church Endowment	7,864	1			7,865
Immigration and Refugee Endowment	10,360				10,360
James Andrew Lockett Fund	476,062	2			476,064
Saint Katharine Drexel Monument Endowment Fund	23,297				23,297
Larry Garvey Family Fund	3,860,774	3			3,860,777
Literacy Endowment	10,367				10,367
McPeake/Madonna Manor/Hope Haven	5,409				5,409
Mary June Ragas/St. Mary Magdalen School Endowment	132,037	1			132,038
Metairie Manor Endowment Fund B	21,399				21,399
Metairie Manor Endowment Fund	153,017				153,017
T. Milton Hynes & Norma M. Hynes Endowment	54,953				54,953
Monsignor Wynhoven Endowment Fund B	27,165	(416)			26,749
Monsignor Wynhoven Apartments, Inc.	21,072				21,072
Most Holy Trinity Church Endowment	74,717	1			74,718
Notre Dame Seminary	3,778,719	145,000			3,923,719
Our Lady of Divine Providence Parish Endowment Fund	129,515				129,515
Our Lady of Grace Church Endowment	7,192				7,192
Our Lady of Prompt Succor School, Chalmette	23,829	1			23,830
Our Lady of Prompt Succor Church (Chalmette) Endowment	7,802				7,802
Our Lady of The Rosary Church Endowment	7,627				7,627
Our Lady of Wisdom Custodian Fund	414,354	1			414,355
Ozanam Inn Endowment	17,690				17,690
Padua Pediatrics Endowment	10,367				10,367
The Pat and Bobby McIntyre Family Fund	11,600	1			11,601

Schedule 5
(Continued)

	Investment Pool	Non-pooled Investments	Equity In CUP	Restricted For Debt Service	Total
Funds Held For Others: (Continued)					
Paula Zabrecky Scholarship Endowment Fund / St. Edward The Confessor School	43,494	2			43,496
Pennies for Bread Endowment Fund	11,759				11,759
Archbishop Philip M. Hannan Educational Fund	246,128				246,128
Philmat Inc., Endowment Fund	4,018,530				4,018,530
Philmat Operating Account	438,694				438,694
Propagation of the Faith	909,756				909,756
Quirk/Magnificat Ministry	30,409	552			30,961
Ralph J. & Faye M. Alvarez Scholarship Endowment Fund - St. Benilde School	20,898				20,898
Resurrection of Our Lord Church Endowment Fund	400,240	1			400,241
Resurrection of Our Lord School Endowment Fund	400,227	1			400,228
Rev. Bernard O'Brien SFC Endowment Fund	87,664				87,664
Reverend Msgr. Andrew C. Taormina Endowment Account	2,763				2,763
Reverend Piovan Endowment Account	10,638				10,638
Rev. William J. McGough Endowment	758				758
Rick and Maxine Resweber Family Fund	4,504	1			4,505
Robin R. & Pamela F. Mingo Family Fund	880,010				880,010
Archbishop Rummel High School Endowment Fund	283,758				283,758
San Pedro Pescador Catholic Church Endowment	-				-
Second Harvesters Food Bank	837,175				837,175
Second Harvesters Food Bank, Food for Families, Food for Seniors	129,261				129,261
Serra Club of New Orleans (Connie & Frank Walk Endowment)	7,759				7,759
Sister Anthony Barczykowski, D.C. Endowment Fund	4,274				4,274
Sister Germaine O. P. Early Childhood Development Center Fund	32,982	1			32,983
Sister Lillian McCormack Endowment Fund/ St. Michael School	-				-
St. Agnes Church Parish Endowment	147,849				147,849
St. Francis Xavier Hickey	36,449				36,449
St. Henry Church Parish Endowment	-	1			1
St. John The Baptist Church Endowment	31,371	1			31,372
St Mary's Dominican High School Endowment Fun	845,504	474			845,978
St. Peter School - Reserve Endowment	5,078				5,078
St. Alphonsus Fund	21,579				21,579
St. Ann Church & National Shrine Parish Endowment Fund	22,975				22,975
St. Ann & National Shrine School Endowment Fund	991,013	(750)			990,263
St. Anthony School (Gretna) Endowment Fund	83,094				83,094
St. Augustine High School Endowment Fund	7,772				7,772
St. Bernard Catholic Church Endowment	3,331	1			3,332
Sr. Imelda Moriarity/St. Catherine of Siena School	107,554	1			107,555
St. Christopher the Martyr Church	19,219				19,219
St. Charles Borromeo School Endowment	11,644				11,644
St. Clement of Rome Church Fund	35,952				35,952
St. Clement of Rome School Fund	18,249				18,249
St. Dominic Church Endowment	313,148	1			313,149

Schedule 5
(Continued)

	Investment Pool	Non-pooled Investments	Equity In CUP	Restricted For Debt Service	Total
Funds Held For Others: (Continued)					
St. Dominic School Endowment	44,592				44,592
St. Francis of Assisi Church Endowment Foundation	159,305	1			159,306
St. Joan of Arc Msgr. Robert Vincent Endowment	84,496				84,496
St. Joseph Church Patrimony Endowment	277,009	713			277,722
St. Leo The Great Church Endowment	14,848				14,848
St. Louis Cathedral Endowment Fund	116,732				116,732
St. Louis King of France Parish Endowment	456,310				456,310
St. Luke The Evangelist Parish Endowment	122,267	1			122,268
St. Margaret Mary Parish Endowment	18,575				18,575
St. Margaret Mary School Scholarship Fund	219,924	1			219,925
St. Margaret Mary School Endowment	35,335				35,335
St. Mary Magdalen Church Endowment	4,487	1			4,488
St. Michael Endowment	838,171				838,171
St. Peter (Covington) School Endowment Fund	20,619	2,266			22,885
St. Pius X Church Endowment Fund	3,970				3,970
St. Pius X Pillars of Pius Endowment Fund	80,337				80,337
St. Rita (Harahan) Parish School Endowment Fund	153,794				153,794
St. Rita Church Parish Endowment Fund	2,751	3			2,754
St. Scholastica Academy Alumnae Scholarship Fund	14,485				14,485
St. Scholastica Academy Endowment Fund	190,386				190,386
St. Stephen School	225,412	4			225,416
St. Theresa of the Child Jesus	410,202				410,202
St. Anthony of Padua Church (New Orleans)					-
Parish Endowment Fund	7,498				7,498
Bishop Stanley J. Ott Notre Dame Seminary Memorial Endowment	129,950	1			129,951
Steiner Aged/Infirm	134,101				134,101
Stewart/Social Apostolate	35,523				35,523
Stoulig Fund	165,033	(151)			164,882
The Thomas H. Stahel, S.J. Good Shepherd Memorial Endowment Fund	284,722				284,722
T. Hartley Kingsmill Family Endowment	7,322	1			7,323
The Calamari Family Endowment Fund	798	1			799
The Gift of Life Endowment	903,176				903,176
Tujague/Social Apostolate	97,763				97,763
William Richard & Helen Hock St. Joseph Parish Endowment	97,716				97,716
Wiseman Endowment Fund	30,387	1			30,388
Wynhoven Health Care Center	-				-
Xavier University Preparatory School Endowment	388,171	2			388,173
Total funds held for others	41,050,315	221,834	-	-	41,272,149
Total investments	$ 102,421,426	$ 85,547,226	$ 627,021	$ 6,326,339	$ 194,922,012

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

Bourgeois Bennett

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Most Reverend Gregory M. Aymond,
Archbishop of the Roman Catholic Church of
the Archdiocese of New Orleans,
New Orleans, Louisiana.

We have audited the financial statements of Roman Catholic Church of the Archdiocese of New Orleans Administrative Offices (the "Administrative Offices") as of and for the year ended June 30, 2009, and have issued our report thereon dated November 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Administrative Offices' internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Administrative Offices' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Administrative Offices' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Administrative Offices' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Administrative Offices' financial statements that is more than inconsequential will not be prevented or detected by the Administrative Offices' internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs (09-01) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Administrative Offices' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses as defined above. However, we believe that the significant deficiency described above (09-01) is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Administrative Offices' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Administrative Offices' response to the finding indentified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the administrative Offices' response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Most Reverend Gregory M. Aymond, Archbishop of the Roman Catholic Church of the Archdiocese of New Orleans, management, federal awarding agencies, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
November 16, 2009.

Bourgeois Bennett

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Most Reverend Gregory M. Aymond,
Archbishop of the Roman Catholic Church of
the Archdiocese of New Orleans,
New Orleans, Louisiana.

Compliance

We have audited the compliance of Roman Catholic Church of the Archdiocese of New Orleans Administrative Offices (the "Administrative Offices"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The Administrative Offices' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Administrative Offices' management. Our responsibility is to express an opinion on the Administrative Offices' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Administrative Offices' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Administrative Offices' compliance with those requirements.

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In our opinion, the Administrative Offices complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Administrative Offices is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Administrative Offices' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Administrative Offices' internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Administrative Offices' internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the Administrative Offices' internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Most Reverend Gregory M. Aymond, Archbishop of the Roman Catholic Church of the Archdiocese of New Orleans, management, federal awarding agencies, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
November 16, 2009.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARD

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2009

Federal Grantor / Program Title	CFDA Number	Federal Expenditures
Department of Homeland Security:		
Passed Through the Louisiana Governor's Office of Homeland Security and Emergency Preparedness		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	$ 16,345,792
Total expenditures of federal award		$ 16,345,792

See notes to schedule of expenditures of federal award.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARD

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2009

Note 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Award includes the federal grant activity of Roman Catholic Church of the Archdiocese of New Orleans Administrative Offices (the "Administrative Offices") and is presented on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Administrative Offices' has met the qualifications for the respective grants. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, the amount presented in the schedule may differ from the amount presented in, or used in the preparation of, the financial statements.

Funds received from this grant by the Administrative Offices were distributed to various affiliated entities. For financial reporting purposes, these entities are not consolidated with the Administrative Offices' financial statement.

Note 2 - FINDINGS OF NONCOMPLIANCE

No federal award findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2009.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2009

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? __ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness? X yes __ no

Noncompliance material to financial statements noted? __ yes X no

b) Federal Awards

Internal control over major program:

- Material weakness(es) identified? __ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness? __ yes X no

Type of auditor's report issued on compliance for major programs: unqualified opinion

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 __ yes X no

(Continued)

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Program:

CFDA Number	Name of Federal Program
97.036	U.S. Department of Homeland Security - Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs: $490,374

Auditee qualified as a low-risk auditee? ___ yes X no

Section II - Financial Statement Findings

Internal Control Over Financial Reporting

09-01 Grant Expense Account Reconciliation

Criteria - General ledger accounts should be reconciled to independent account support, where available.

Condition - An adjustment was required to the grant expense account balances.

Context - Isolated.

Cause - Although grant expenses are tracked independently, the general ledger grant expense account was not reconciled to these records.

Effect - Failure to consider all available support for account balances can result in financial statement misstatements.

Recommendation - Always consider available, independent account support when reviewing general ledger balances for completeness and accuracy.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical. - None.

(Continued)

Section II - Financial Statement Findings (Continued)

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2009.

Section III - Federal Award Findings and Questioned Costs

Internal Control / Compliance

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2009.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2009

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

08-01 Adjustments to Grant Revenue and Related Expenditures

Recommendation - The Administrative Offices should revise its accounting policy regarding grant revenue recognition and expenditure recordation to conform to generally accepted accounting principles.

Management's Corrective Action - Resolved. The Administrative Offices revised its accounting policy and records anticipated Federal grant reimbursements, which have been submitted, as income in the year the expenditures are incurred.

08-02 Adjustments Caused by Inadequate Interdepartmental Communication

Recommendation - Department heads within the organization should be advised of the importance of communicating on a timely basis with the accounting department regarding events or occurrences which may have an effect on the accounting records. Also, procedures should be implemented to ensure that all departments submit vendor invoices and related grant documentation to the accounting department on a timely basis for entry into the accounting records.

Management's Corrective Action - Resolved. Department heads send the Accounting Office copies of all grants they apply for as well as an anticipated timeline for receipt of the grant. The accounting office maintains a log of outstanding grant requests. Department heads advise the Accounting Office of a grant's status if it has not been received by fiscal year-end and or if the value of the grant changes.

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements (Continued)

Internal Control Over Financial Reporting (Continued)

08-03 Adjustment for Unusual Occurrence

Recommendation - Particular attention should be directed toward unusual occurrences during the year so that they receive the proper accounting treatment.

Management's Corrective Action - Resolved. Department heads report unusual occurrences to the Accounting Office when they occur or become known. The Accounting office logs unusual matters and discusses with Management as part of the review of financial statements.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2008.

Section II - Internal Control And Compliance Material to Federal Awards

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2008.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2008.

MANAGEMENT'S CORRECTIVE ACTION PLAN ON CURRENT YEAR FINDINGS

Roman Catholic Church of the Archdiocese of New Orleans
Administrative Offices

For the year ended June 30, 2009

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

09-01 Grant Expense Account Reconciliation

Recommendation - Always consider available, independent account support when reviewing general ledger balances for completeness and accuracy.

Management's Corrective Action - The Accounting office will reconcile independent grant activity reports to the general ledger and to applicable sub-ledgers.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2009.

Section II - Internal Control And Compliance Material to Federal Awards

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2009.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2009.